

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-210-E - ORDER NO. 2005-684
DECEMBER 7, 2005

IN RE:	Application of Duke Energy Corporation for)	ORDER APPROVING
	Authorization to Enter into a Business)	STIPULATIONS AND
	Combination Transaction with Cinergy)	MERGER
	Corporation.)	

I. INTRODUCTION

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Duke Energy Corporation (Duke or the Company) for authorization to enter into a business combination transaction (the Merger) with Cinergy Corporation (Cinergy) (together, the Companies). The Application was filed pursuant to S.C. Code Ann. Section 58-27-1300 (Supp. 2004).

The Commission's Docketing Department instructed Duke to publish a Notice of Filing and Hearing in newspapers of general circulation in the area affected by the Company's Application. The Notice of Filing and Hearing indicated the nature of the Companies' Application and advised all interested Parties desiring participation in the scheduled proceeding of the manner and time in which to file appropriate pleadings. The Companies furnished affidavits demonstrating that the Notice was duly published in accordance with the Docketing Department's instructions.

According to the Application, Duke and Cinergy have entered into an Agreement and Plan of Merger by and among Duke Energy, Cinergy, Duke Energy Holding Corp., Deer Acquisition Corp, and Cougar Acquisition Corp. The Plan of Merger sets forth a series of mergers and restructuring transactions that will implement the business combination of Duke Energy and Cinergy. The Application describes the various transactions in detail.

A joint Petition to Intervene in this matter was filed by the Electric Cooperatives of South Carolina, Inc., Central Electric Power Cooperative, Inc., and Saluda Electric Cooperative, Inc. (the Coops.). A Petition to Intervene was also filed by the South Carolina Energy Users Committee (SCEUC). Duke filed a document in opposition to the Coops.' Joint Petition.

On October 7, 2005, the Office of Regulatory Staff (ORS) filed two Stipulations in the case and stated that the Stipulations settled all issues among the parties within this docket, and no outstanding issues remained. One Stipulation was executed between the Coops. and Duke, and the other was signed by ORS, SCEUC, and Duke. These are attached hereto as Order Exhibit 1 and Order Exhibit 2 respectively.

A hearing was commenced before the Commission on October 10, 2005, at 11:00 AM in the Commission's Hearing Room, with the Honorable Randy Mitchell, Chairman, presiding. Duke Energy was represented by William F. Austin, Esquire, and Richard L. Whitt, Esquire. The Coops. were represented by Frank R. Ellerbe, III, Esquire, and Bonnie D. Shealy, Esquire. SCEUC was represented by Scott Elliott, Esquire. The Office of Regulatory Staff was represented by Shannon B. Hudson, Esquire. Ellen T. Ruff,

Group Vice President of Planning and External Relations for Duke, testified in support of the Stipulations and the Application.

Subsequent to the hearing, this Commission issued Order No. 2005-606, dated October 17, 2005, holding that certain inquiries of the parties should be made in order to assist in the determination as to whether or not the proposed merger was in the public interest. A specific list of questions was attached to the Order, and a hearing officer was appointed to coordinate with the parties concerning the provision of the requested information. On October 18, 2005, Duke provided the responses to the inquiries in the form of an affidavit from Ms. Ruff. The matter is now ready for disposition. We believe that the proposed merger is in the public interest, and we approve it. We also adopt and approve the two Stipulations.

The Stipulation between ORS, SCEUC, and Duke states that Duke shall reduce its South Carolina retail base rates for a one year period by \$40 million beginning with the second month following the close of the Merger. The rate reduction shall be accomplished by a rate decrement rider to existing base rates for a one-year period on a per kWh basis. Such provisions are certainly in the public interest. Further, this Stipulation gives South Carolina a “most favored nation” status with regard to the sharing of net merger savings among the States affected by the merger, which could allow South Carolina an even greater amount of savings than the \$40 million under certain circumstances. Also, fuel savings allocable to South Carolina as a result of the Merger shall flow to retail customers through the South Carolina retail fuel clause. In addition, among other things, we would note that direct expenses associated with costs to achieve

the Merger shall be excluded from retail cost of service for ratemaking purposes. Duke shall bear the burden of proof to demonstrate in its first rate case after closing of the Merger that any capital costs associated with costs to achieve the Merger that Duke seeks to recover from South Carolina retail customers are to the benefit of South Carolina retail customers. We believe that all of these and the other points in the Stipulation inure to the benefit of the South Carolina Duke electric retail customer, and, therefore, the adoption and approval of this Stipulation is in the public interest.

In addition, adoption and approval of the Stipulation between the Coops. and Duke are in the public interest. Among other things, this Stipulation states that Duke's transmission system in South Carolina will be operated in a safe and reasonable manner. Duke also agrees to support the establishment of a transmission planning process similar to that underway in North Carolina. Other provisions involve a pledge by all parties to adhere to all provisions of the Territorial Assignment Act and to engage in good faith negotiations regarding the acquisition, joint ownership, operation and/or maintenance of transmission facilities owned by Duke.

With regard to the merger, Ruff's testimony stated that Duke and Cinergy entered into an Agreement and Plan of Merger on May 8, 2005, which was amended on July 11, 2005, to include provisions allowing for the rollover of the respective companies' dividend retirement plans. Under the Merger Agreement, the proposed Merger will be accomplished via an all-stock transaction. Through a series of mergers, conversions, and reorganizations, Duke Power, Duke Capital LLC, Duke Energy Shared Services, LLC and Cinergy will become wholly-owned subsidiaries of a new Delaware holding

company to be named “Duke Energy Corporation” (New Duke Energy). Holders of Duke Energy common stock will receive New Duke Energy common stock on a one-for-one basis, and holders of Cinergy common stock will receive 1.56 shares of New Duke energy common stock for each share of Cinergy common stock held. After completion of the Merger, Duke Energy shareholders will own approximately 76% of the New Duke Energy holding company stock, and Cinergy shareholders will own approximately 24% of the New Duke Energy holding company stock.

II. ADOPTION OF STIPULATIONS AND APPROVAL OF MERGER

Based on the Stipulations, the testimony and exhibits presented, and the responses to the questions contained in Order No. 2005-606, the Commission adopts, as a comprehensive compromise settlement on all issues, all terms and provisions of the two Stipulations as just and reasonable and in the public interest. Further, the Merger is approved as being in the public interest, subject to the terms of the approved Stipulations among the parties.

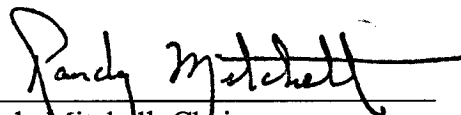
III. DECREE

Wherefore, it is ordered:

1. That the Settlement entered into by all of the Parties, as embodied in the two Stipulations, is adopted as just and reasonable and in the public interest.
2. That the Merger, subject to the terms of the two Stipulations, is approved as being in the public interest.


3. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice Chairman

(SEAL)

Attachments to Order
STIPULATIONS
to be attached as
Hearing Exhibit No. 1
and No. 2

**BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

DOCKET NO. 2005-210-E

OCT 06 2005

RECEIVED

In Re:)

Application of Duke Energy)
Corporation for Authorization to)
Enter into a Business Combination)
Transaction with Cinergy)
Corporation)

STIPULATION

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2005 OCT -7 PM 2:40
SOUTH CAROLINA
PUBLIC SERVICE
COMMISSION

WHEREAS Intervenors The Electric Cooperatives of SC, Inc., Central Electric Power Cooperative, Inc. and Saluda River Electric Cooperative (herein collectively "Cooperatives") have petitioned to intervene in the captioned proceeding stating their intent to protect their interests in connection with the proposed merger being considered in this docket; and

WHEREAS Duke Energy Corporation ("Duke") has opposed the intervention of the Cooperatives; and

WHEREAS the Cooperatives and Duke have reached agreement on certain items as set forth below in order to resolve matters in dispute between them in this docket.

NOW THEREFORE, the Cooperatives and Duke agree to the following:

1. Duke agrees that its transmission system in the state of South Carolina will be operated and maintained in a safe and reliable manner.
2. In accordance with applicable FERC procedures, Duke will consent to the anticipated assignment of the following agreements from New Horizon Electric Cooperative Inc. to its designee: Service Agreement for Network

Integration Transmission Service dated October 30, 2000, as amended and Network Operating Agreement dated October 30, 2000, as amended.

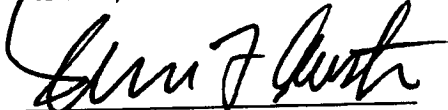
3. Duke agrees that it will support the establishment of a transmission planning process similar to the planning process underway in North Carolina which is sponsored by the North Carolina Utilities Commission that will provide a meaningful opportunity for stakeholders such as Cooperatives to participate in plans to meet the future needs of serving the native load in South Carolina.
4. Duke and Cooperatives agree that they will adhere to all provisions of the Territorial Assignment Act of the South Carolina Code as well as Act 179 of 2004. With respect to Act 179, the Cooperatives and Duke agree that the document titled "Statement" and dated November 17, 2003, attached as exhibit A to this stipulation is an accurate description of the intent and effect of that Act.
5. Duke states that it does not at present have any plans to seek confidential treatment of retail service contracts which it must file with the Public Service Commission. Duke acknowledges further that, should its plans change such that it does seek such treatment in the future, Cooperatives (including individual members of The Electric Cooperatives of South Carolina, Inc.) shall have the right to apply to the Public Service Commission to obtain the right to review such contracts pursuant to appropriate protective orders. Duke will not contest the standing of Cooperatives, including the individual members, to make such application.

6. Duke agrees to engage in good faith negotiations with the Cooperatives regarding the acquisition, joint ownership, operation and/or maintenance of transmission facilities owned by Duke. Any such negotiations shall commence after the closing of the Merger and any agreement reached by the Parties on such acquisition, joint ownership, operation and/or maintenance shall be subject to any required approvals including approvals required by the Federal Energy Regulatory Commission, the South Carolina Public Service Commission, and/or the North Carolina Utilities Commission.
7. Duke will withdraw its opposition to the intervention of Cooperatives in this docket and Cooperatives will not oppose the approval sought by Duke for its proposed merger with Cinergy Corp.
8. Duke shall pre-file the prepared direct testimony of Ellen T. Ruff, Group Vice President, Duke Power, Planning and External Relations, consistent with and in support of this Stipulation. The Parties agree to stipulate to such testimony so that the Commission may admit it into the record without objection or cross-examination by any of the Parties.
9. The Parties agree that Ms. Ruff's testimony and this Stipulation shall be sufficient to support the Commission's approval of Duke's application in this docket, and no other party may offer additional evidence.
10. Duke shall withdraw the pre-filed direct testimonies (including any exhibits) of Dr. Ruth G. Shaw, James E. Rogers, and Myron L. Caldwell filed on August 29, 2005.

11. This Stipulation contains the complete agreement of the Parties. There are no other terms and condition to which the Parties have agreed. All discussions among the Parties have been integrated into the terms of this Stipulation.
12. If the Commission should decline to approve the Stipulation in its entirety, then any party desiring to do so, may withdraw from the Stipulation without penalty, within three (3) days of receiving notice of the any such decision, by providing written notice of withdrawal via electronic mail to all parties in that time period.
13. This Stipulation shall be interpreted according to South Carolina Law.
14. Each party acknowledges its consent and agreement to this Stipulation by authorizing its counsel to affix his or her signature to this Stipulation where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the Stipulation. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the various signature pages, combined with the body of this document constituting an original and provable copy of this Stipulation.

15. The commitments and agreements contained in this Stipulation are conditioned on the closing of the merger between Duke and Cinergy Corp.

AUSTIN, LEWIS & ROGERS, P.A.



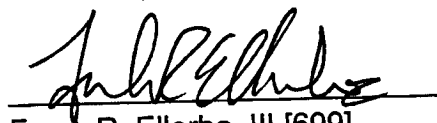
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Counsel for The Electric Cooperatives of
SC, Inc., Central Electric Power
Cooperative, Inc. and Saluda River
Electric Cooperative

Date:

October 6, 2005


**STATEMENT
November 17, 2003**

The Electric Cooperatives of South Carolina, The Municipal Association of South Carolina, The South Carolina Association of Municipal Power Systems, Piedmont Municipal Power Authority, and the Investor-Owned Utilities (SCANA, Progress Energy, and Duke Power) submit this memorandum to explain the intended effect of the Electric Cooperatives Act of 2004.

1. PROCEDURAL BACKGROUND

In late 2001, the Electric Cooperatives ("cooperatives") approached Senator McConnell and Senator Moore regarding the current legislative limitations placed upon the cooperatives by their 1930s-era empowering act. Under the cooperatives' enabling legislation, cooperatives may be organized for the purpose of supplying electricity in rural areas. Section 33-49-20(1) of the South Carolina Code defines a "rural area" as "any area not included within the boundaries of an incorporated or unincorporated city, town, village or borough having a population in excess of 2,500 persons." In other words, except for certain circumstances, a cooperative may not extend service to a premise in a town with a population over 2,500. This is known as the "Hamlet Rule" or the "2500 Rule."

The cooperatives prepared a proposal addressing the cooperatives' Hamlet Rule concerns. Shortly thereafter, the cooperatives provided proposed legislation eliminating the rural designation and repealing the Hamlet Rule. At the direction of Senators McConnell and Moore, Senate Judiciary Committee staff attorney Mike Couick asked for the investor-owned utilities' ("IOUs") and municipalities' input to ensure that all electric suppliers were able to address their concerns with how the cooperative proposal may or may not affect current service rights. Specifically, the electric suppliers were asked to propose language that would address their concerns regarding the cooperatives' proposed Hamlet Rule legislation. Over the past year, representatives of the electric suppliers and the municipalities have met numerous times to compare and compromise legislative



proposals. Despite the electric suppliers encountering several impasses concerning compromise language at the early stages of this project, the electric suppliers have agreed on a legislative proposal that adequately addresses all electric suppliers' concerns.

2. OVERVIEW

The purpose of the bill is to alter the legal powers of electric cooperatives so as to remove the present limitation on service rights of cooperatives outside of rural areas while at the same time protecting the service rights of IOUs and municipally-owned electrical utilities ("electric cities"). The bill would: (1) eliminate the concept of "rural areas" in connection with the service rights of cooperatives; (2) change the name "rural electric cooperative" to "electric cooperative;" (3) permit cooperatives to serve new customers within their previously assigned territory or previously unassigned territory after annexation or incorporation into a municipality, subject to the consent of the municipality; and (4) protect the rights of IOUs to serve within their previously assigned territory or previously unassigned territory after annexation or incorporation into a municipality, subject to the consent of the municipality. The bill would not empower cooperatives to serve new customers after annexation or incorporation into an electric city unless expressly approved by the municipality and its commission or board of public works, if any. Additionally, the bill would not alter existing cooperative service rights with regard to annexations occurring prior to the effective date of this bill. The constitutional and statutory powers of municipalities would be expressly protected, but not enlarged.

3. THE CONTENTS OF THE BILL

Under current law, cooperatives are restricted from serving in municipalities of greater than 2,500 population, subject to specified exceptions, by operation of the existing

definition of "rural areas." The bill would abolish the "rural" designation and the 2,500-population limit, thus abolishing the Hamlet or 2,500 Rule. The bill conveys equal status relative to the service rights of electric cooperatives and IOUs to serve new premises in future annexed or incorporated areas. After annexation or incorporation, a cooperative would have the authority to serve in areas that had previously been assigned to it by the Public Service Commission pursuant to the Territorial Assignment Act, subject to the consent of the municipality. A cooperative would not have authority to serve in an area which had been assigned to an IOU prior to annexation or incorporation. An IOU would no longer have the authority to serve in territory that had been assigned to a cooperative prior to annexation or incorporation. Both cooperatives and IOUs would have the authority to serve in areas that had been unassigned prior to annexation or incorporation, subject to the consent of the municipality. As in the current statute, a cooperative has statutory-implied consent, except in electric cities, to extend new service in the permitted parts of the newly annexed or incorporated area until the municipality acts.

The bill protects current service rights in municipal limits as they exist on the date of the enactment of this bill. If an electric supplier can legally serve within the existing municipal limits on the effective date of the Act, the Act does not affect such rights. The bill does not affect existing service to any premises by an IOU, cooperative, or electric city. The bill allows an electric supplier to take over service to premises already being served by another electric supplier only under the limited circumstances and subject to procedures existing in current law.

4. IMPACT OF CORRIDORS

Under S.C. Code Ann. § 58-27-620(1)(d), electric suppliers have the exclusive right

to serve within 300 feet of their electric lines as such lines existed on July 1, 1969, in areas outside of municipalities. Where existing electric lines of electric suppliers parallel or overlap, special rules apply. Those areas within 300 feet of such lines are called corridors.

Under this bill, the service rights of an electric supplier within its previously assigned territory after annexation or incorporation would include all corridors lying within the boundaries of the assigned territory as if the corridors were a part of the assigned territory. As under present law, corridor rights under the Territorial Assignment Act will have no effect after annexation or incorporation.

5. OTHER PROVISIONS

(1) The bill would not affect the statutory powers of the Public Service Authority or transmission cooperatives. (2) The bill is prospective in application. The change in the powers of cooperatives and IOUs only apply within areas annexed or incorporated after the effective date of the bill. (3) The bill would exempt electric cities from its application by withholding from cooperatives any legal authority to provide any new service within such cities after annexation or incorporation unless expressly permitted to do so by ordinance of the municipal council and contractual consent of the board or commission of public works, if any. (4) The bill expressly recognizes and protects, but does not expand, the constitutional, home rule, and police powers of municipalities. The bill does not directly restrict municipal authority but only would restrict the powers of cooperatives and IOUs to accept service rights in certain annexed or newly incorporated areas. (5) The bill contains a non-severability clause. If any part of the bill is found unconstitutional, the entire bill falls.

6. CONCLUSION

It is the collective opinion of the interested parties that the enactment of this bill

would serve the public interest by modernizing the statutory method established for service rights for electric suppliers and establishing parity of rights after annexation for electric cooperatives and IOUs while at the same time protecting the service rights of electric cities and preserving the constitutional and statutory powers of all municipalities.

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BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO: 2005-210-E
October 6, 2005

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SC PUBLIC SERVICE
COMMISSION

IN RE:

Application of)	
Duke Energy Corporation for)	STIPULATION
Authorization to Enter into a)	
Business Combination Transaction)	
with Cinergy Corporation)	

This Stipulation sets forth the agreement among the Office of Regulatory Staff of South Carolina ("ORS"), South Carolina Energy Users Committee ("SCEUC"), and Duke Energy Corporation ("Duke"), collectively referred to as the "Parties", as to an appropriate resolution of issues in the above-captioned proceedings. The above-captioned proceeding has been established by the Public Service Commission of South Carolina ("Commission") pursuant to the Application of Duke for authorization to enter into a business combination transaction with Cinergy Corp. (the "Merger"), which was filed with the Commission on July 15, 2005, in Docket No: 2005-210-E. The Parties have engaged in discussions to determine if a settlement of the issues would be in their best interests, and have each determined that their interests and the public interest would be best served by settling all issues pending in the above-captioned case under the terms and conditions set forth below.

The Parties will, as soon as possible after execution of this Stipulation, file it with the Commission, together with the prepared direct testimony of Ellen T. Ruff, Group Vice President, Duke Power, Planning and External Relations, and a request that the

Commission consider the Stipulation and such other matters as the Commission may determine at a hearing (presently scheduled for October 10, 2005 (the "Hearing")).

The stipulated agreements are as follows:

1. Sharing of Net Merger Savings

- A. Duke shall reduce its South Carolina retail base rates for a one year period by \$40 million beginning with the second month following the close of the Merger. The rate reduction shall be accomplished by a rate decrement rider to existing base rates for a one-year period on a per kWh basis.
- B. Following approval of the Merger by the state commissions of North Carolina, and Ohio, and approval of the affiliate agreements filed with the Indiana Utility Regulatory Commission in connection with the Merger, any sharing mechanisms pursuant to which merger savings are shared with retail customers in each of these states will be reviewed to identify the utility whose electric retail customers will receive the largest percentage of the net merger savings to be achieved over the first five years after closing of the merger allocated to that utility. If the application of that percentage to the net savings allocable to South Carolina retail would result in a greater savings sharing than \$40 million, then the rate reduction described in Section 1.A. above for South Carolina retail customers will be increased to match the application of that percentage to the net savings allocable to South Carolina retail. Application of this methodology is intended to ensure that South Carolina retail customers receive the benefit of a "most favored nation" status with regard to the sharing of net merger savings among the states named above. In no event will the application of the methodology cause South Carolina's \$40 million share of savings to be reduced.

- C. In addition to the \$40 million shared savings discussed above, any fuel savings allocable to South Carolina as a result of the Merger shall flow to retail customers through the South Carolina retail fuel clause.
- D. The base rate reduction described in Sections 1.A and 1.B is conditioned on the Commission's approval and issuance of an accounting order ("Accounting Order") that permits Duke to amortize the impact of the merger savings rate decrement over a five year period beginning with the year the decrement is implemented. The Parties shall support Duke's request to the Commission for an Accounting Order.
- E. The impact of the rate decrement, costs to achieve and cost savings allocable to South Carolina shall be reflected in Duke's quarterly surveillance reports as realized.

- 2. Following the close of the Merger, Duke shall transition its current pro forma capital structure used for quarterly surveillance reports to a pro forma capital structure consisting of 55% equity and 45% long-term debt by December 31, 2007. The starting point for the transition shall be the equity percentage used in the most recent quarterly surveillance report filed in South Carolina prior to the closing of the Merger.
- 3. After December 31, 2007, the 55% equity, 45% long-term debt capital structure shall remain in effect and be used in Duke's quarterly surveillance reports until changed by action of the Commission, either upon a general rate case, or petition by Duke, the ORS or other parties. The Company will include the actual capital structure of Duke for informational purposes in the quarterly surveillance reports.
- 4. Duke shall extend its sharing of non-firm Bulk Power Marketing profits through Advance SC LLC for an additional three years or until a general rate case, whichever occurs first. The additional three year time period shall include profits realized through December 31, 2010.

5. Direct expenses associated with costs to achieve the Merger shall be excluded from retail cost of service for ratemaking purposes. Duke shall bear the burden of proof to demonstrate in its first rate case after closing of the Merger that any capital costs associated with costs to achieve the Merger that Duke seeks to recover from South Carolina retail customers are to the benefit of South Carolina retail customers.
6. Any increase in debt rates because of downgrading as a result of the Merger shall be proformed out for retail ratemaking purposes.
7. For its South Carolina operations, Duke shall abide by its North Carolina Code of Conduct, including any Merger related amendments to the Code of Conduct approved by the North Carolina Utilities Commission.
8. Duke shall pre-file the prepared direct testimony of Ellen T. Ruff, Group Vice President, Duke Power, Planning and External Relations, in support of this Stipulation. The Parties agree to stipulate to such testimony so that the Commission may admit it into the record without objection or cross-examination by any of the Parties.
9. The Parties agree that Ms. Ruff's testimony and this Stipulation shall be sufficient to support the Commission's approval of Duke's application in this docket, and no other party may offer additional evidence.
10. Duke shall withdraw the pre-filed direct testimonies (including any exhibits) of Dr. Ruth G. Shaw, James E. Rogers, and Myron L. Caldwell filed on August 29, 2005.
11. The commitments and agreements contained in this Stipulation are conditioned on the closing of the merger between Duke and Cinergy Corp.

12. This Stipulation contains the complete agreement of the Parties. There are no other terms and condition to which the Parties have agreed. All discussions among the Parties have been integrated into the terms of this Stipulation.
13. This Stipulation reflects a balancing of many important interests affected by Duke's Application in this docket. The Parties recognize that this Stipulation, if adopted by the Commission, would represent a fair, reasonable and full resolution of all issues in the above-captioned proceeding. The Parties agree to cooperate in good faith with one another in recommending to the Commission that this Stipulation be accepted and approved by the Commission as in the public interest. The Parties agree to use their reasonable efforts to defend and support any Commission order approving this Stipulation.
14. This Stipulation shall not constrain, inhibit or impair any party's positions held in future proceedings. The Parties expressly agree that the positions taken in this Stipulation, the acceptance of the Stipulation, and their participation in the same shall have no precedential effect in any future proceeding involving any of the Parties. The Parties expressly reserve the right to assert any and all positions in future proceedings, even if contrary to a position taken in this stipulation.
15. If the Commission should decline to approve the Stipulation in its entirety, then any party desiring to do so, may withdraw from the Stipulation without penalty, within three (3) days of receiving notice of the any such decision, by providing written notice of withdrawal via electronic mail to all parties in that time period.
16. This Stipulation shall be interpreted according to South Carolina Law.
17. Each party acknowledges its consent and agreement to this Stipulation by authorizing its counsel to affix his or her signature to this Stipulation where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the Stipulation. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in

counterparts, with the various signature pages, combined with the body of this document constituting an original and provable copy of this Stipulation.

WE AGREE:

Representing and binding the Office of Regulatory Staff:

Shannon Bowyer Hudson

Shannon Bowyer Hudson

Office of Regulatory Staff

1441 Main Street, Suite 300

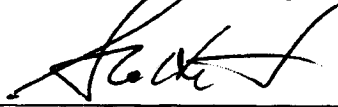
Columbia, South Carolina 29201

Phone: (803) 737-0889

Date: Oct. 5, 2005

WE AGREE:

Representing and binding the South Carolina Energy Users Committee:



Scott Elliott

Elliott & Elliott, P.A.

721 Olive Street

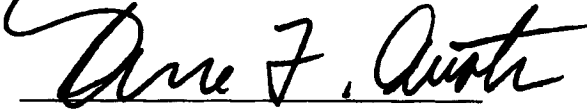
Columbia, South Carolina 29205

Phone: (803) 771-0555

Date: December 6, 2005

WE AGREE:

Representing and binding Duke Energy Corporation



William F. Austin

Richard L. Whitt

Austin Lewis, and Rogers, P.A.

508 Hampton Street , Suite 300

Columbia, S.C. 29202

Phone: (803) 251-7443

Date: October 7, 2005